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RESTRUCTURING AND REVITALIZATION OF THE UNITED NATIONS IN THE ECONOMIC, SOCIAL AND RELATED FIELDS

PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Note by the Secretary-General

1. In his foreword to the report submitted to the high-level segment of the Economic and Social Council in July 1992 (E/1992/82/Add.1), the Secretary-General outlined his views on the role of the Organization in support of international cooperation and development, and indicated the broad measures he intended to pursue to enhance the effectiveness of its economic and social sectors. He noted that the experience with the first phase of the reorganization of the United Nations Secretariat which he had introduced at the beginning of the year - involving several New York-based organizational entities - was being reviewed, and that steps were being initiated to extend the reform process to the other parts of the economic and social sectors.

2. In paragraph 105 of his annual report on the work of the Organization (A/47/1), submitted to the General Assembly in September 1992, the Secretary-General outlined the objectives which would guide further phases of the reorganization as follows:

> "An integrated approach to ... development, can only be promoted through a stronger United Nations. It has to become:
>
> "(a) An organization which views its objectives in respect of economic and social cooperation and development with the same sense of responsibility and urgency as its commitments in the political and security area;
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> "(b) An organization where the intergovernmental bodies promote policy coherence, and where the Economic and Social Council plays the central role envisaged for it in the Charter of the United Nations;

"(c) An organization which takes full advantage of the central coordinating capacity available to it on economic, social and humanitarian issues, and of the inter-sectoral capabilities at its disposal in the regional commissions and in the various United Nations programmes and organs;

"(d) An organization whose extensive operational capabilities - available through the United Nations Development Programme, the World Food Programme, the United Nations Children's Fund and the United Nations Population Fund - are fully supportive of its policy objectives, and where economic and social research and policy analysis, operational activities, humanitarian assistance and the promotion of human rights support and reinforce each other."

3. Subsequently, in his statement to the General Assembly on 2 November 1992, at the opening of the debate on the follow-up to the United Nations Conference on Environment and Development, the Secretary-General referred to the work of a high-level Panel of independent advisers which he had established to assist him in reviewing options for further Secretariat reform in the economic, social and environmental areas. Outlining the main elements of the managerial approach which would guide him in such further reform, the Secretary-General underlined the need for a clear definition of those functions that should be carried out at Headquarters and those best carried out by its sectoral and other programmes and its regional and field structures. He went on to emphasize the importance of integrating all economic, social and environmental entities in a coherent structure that would effectively mobilize its analytical, normative and operational capacities in support of common objectives and strategies.

4. In addition, the Secretary-General defined three broad clusters of functions around which he intended to reorganize and concentrate economic, social and environmental activities to be carried out from the Organization's Headquarters in New York.

5. In the light of the advice of the Panel referred to above and subsequent consultations, and taking into account current discussions in the General Assembly, the Secretary-General has taken the following initial decisions as part of the next phase of the reform effort.

Organizational arrangements

6. The Secretary-General has decided to establish three new Departments in New York, based on the three clusters of functions indicated in his statement.

7. Many of the elements of the rationale for the first of these Departments - which the Secretary-General intends to name "Department for Policy Coordination and Sustainable Development" - were set out in his report on institutional arrangements to follow up the United Nations Conference on Environment and Development (A/47/598). In paragraph 69 of that report, the Secretary-General referred to the "desirability of a single streamlined

structure which would provide a common framework for the provision of overall support to the Council on the one hand, and Secretariat follow-up to the Conference on the other. These interrelated functions focus on the analysis and synthesis of inputs and the provision of support for central coordinating, policy-review and policy-making functions. By placing them under common direction, a synergy should be created, which would contribute to both efficiency and overall policy coherence".

8. The central focus of the work of this Department will thus be on the provision of support for central coordinating and policy-making functions, vested in the Economic and Social Council and its subsidiary bodies, including the new Commission on Sustainable Development. The Department will comprise: (a) a policy development function, focusing on the integration of social as well as economic and environmental dimensions of broad policy coordination issues on the agenda of central intergovernmental bodies in such areas as growth and adjustment, poverty, hunger and malnutrition; (b) a "clearly identifiable entity", as called for in the draft resolution on the follow-up to the Conference, for monitoring the implementation of Agenda 21 and providing substantive support for the Commission on Sustainable Development; (c) a capacity for providing substantive support for the "High-level", "Coordination" and "Operational activities" segments of the sessions of the Council, and for the coordination of substantive support for other Council subsidiary bodies; and (d) technical secretariat services to intergovernmental bodies.

9. This Department will support, and draw on, the high-level advisory board, under the arrangements outlined in paragraphs 59 and 60 of the Secretary-General's report (A/47/598). It will establish cooperative relationships with non-governmental organizations, the academic community and the corporate sectors, in support of the work of the Council, the Commission on Sustainable Development and other subsidiary bodies of the Council. It will also provide secretariat support to relevant parts of the inter-agency coordination machinery, including the new Inter-Agency Committee on Sustainable Development.

10. It is the Secretary-General's intention to entrust to this Department primary responsibility for the preparation for the World Summit on Social Development. Secretariat arrangements for the preparation for the Fourth World Conference on Women will likewise be within the purview of the Department.

11. This Department will be the main source of support to the Secretary-General in the exercise of his responsibilities for the provision of overall coordination of the United Nations system in the economic and social fields. The Secretary-General will draw, as necessary, on this Department, together with other departments and organizational entities concerned, in carrying out his responsibilities of ensuring policy coherence, coordination and efficient management of activities within the United Nations proper, including its programmes. In the same context, the Department will also be the main source of support to the Secretary-General for the provision of policy guidance to operational programmes and field offices.

12. These functions, requiring constant support to, and consultation with, the Secretary-General, together with the need for continuing interaction with the totality of the membership, argue in favour of locating this Department in New York. The importance of generating and sustaining the necessary synergy between the overall policy and coordination functions of the Council and the broad responsibilities entrusted to the new Commission for Sustainable Development likewise suggests that separating the main components of the Department in different locations would not be cost-effective. A single location for the bulk of the Department will also facilitate the formation of a critical mass of expertise which will permit the assumption of new functions, such as the preparation for the Social Summit, without requiring the establishment of separate ad hoc secretariats. Functional links will, however, need to be established with staff located in Geneva concerned with the follow-up of legal instruments, on issues such as climate change and desertification, signed at or mandated by the United Nations Conference on Environment and Development. Such arrangements will in turn be utilized for purposes of liaison with European-based agencies. In addition, cooperative arrangements will be established with the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat) in Nairobi.

13. The second Department - which the Secretary-General intends to name "Department for Economic and Social Information and Policy Analysis" - will focus on the compilation and dissemination of economic and social statistics; the analysis of long-term trends, including population trends; the elaboration of projections; the monitoring and assessment, from a global perspective, of economic and social policies; and the identification of new and emerging issues requiring attention by the international community. The Department will thus serve as the lead unit for economic and social information within the United Nations, and will function as a service for the provision of statistical support to all parts of the Organization. In this regard, the Department will cooperate closely with the Bretton Woods Institutions and other relevant agencies, and will link its activities with early warning capabilities being developed in the humanitarian and political sectors of the Organization.

14. The third Department - which the Secretary-General intends to name "Department for Development Support and Management Services" - will carry out two sets of related functions. The first will be to serve as a focal point for the provision of management services for technical cooperation. The second will be to act as an executing agency in selected cross-sectoral areas, with emphasis on the twin concepts of institutional development (including institution-building, institutional reform and enterprise management) and human resources development (including activities aimed at human capital formation and at enhancing the contribution of different social groups to development). Its technical cooperation with developing countries in the above areas will be particularly focused on the requirements of the least developed countries, as well as those of economies in transition.

15. The institutional arrangements at Headquarters outlined above involve some elements of continuity but also many innovative features vis-à-vis existing and previous structures. They should result in more manageable units in the economic and social areas, with clear and distinct functions and terms of reference, and in an improved balance at Headquarters between Secretariat structures in the political and humanitarian and the economic and social fields. Most importantly, they should lead to improved support to Member States, including better and more integrated services to central intergovernmental bodies; improved capacity in terms of data and statistical support for national as well as international policy-making; and more focused technical assistance. It should also result in improved linkages between global, regional and national strategies for development, including closer cooperation between Headquarters and the United Nations field offices.

16. The clustering of Headquarters activities outlined above will require a significant reallocation of existing programmes within the economic and social sectors. Some cross-sectoral activities now carried out by different United Nations entities will need to be redeployed to the new Headquarters Departments. In turn, some of the activities now undertaken at Headquarters, mostly of a sectoral nature, will need to be reallocated to these entities, in a way which would sharpen the thrust of their respective mandates, or redeployed to regional and/or field structures.

17. An important criterion which should guide these redeployments is that responsibility for each sector or set of issues should, to the extent possible, be clearly assigned to, and the necessary critical mass for dealing with them concentrated in, a single unit or entity within the Secretariat without duplication, as part of an Organization-wide strategy.

18. Provision of substantive support to central intergovernmental bodies will be regarded as a priority activity for all economic, social and environmental entities of the United Nations in their respective sectors, coordinated by the Department referred to in paragraph 7 above. Conversely, Headquarters capacities on cross-sectoral issues should support deliberations in the intergovernmental bodies of each of these entities.

19. The Secretary-General has designated a high-level official to follow up, under his authority, and oversee in the period immediately ahead the next phase of the Secretariat reform to ensure its effective management and speedy implementation. His responsibilities will encompass the management of the redeployment referred to above as well as other related aspects of the reform process, under the responsibility of the Secretary-General, not covered in the present document. These include issues relating to decentralization, the strengthening of the regional presence of the United Nations and the promotion of a unified United Nations presence and approach at the country level. These will be pursued along the lines indicated in the Secretary-General's statements and documents referred to above, in the light of the further advice which the Secretary-General has received from the Panel of independent advisers. Due account will be taken of the outcome of the General Assembly's deliberations on related issues at its current session.

Personnel issues

20. The three new Headquarters Departments referred to above will be headed at the Under-Secretary-General level.

21. In view of the increasing emphasis on the promotion of human rights as one of the primary objectives of the Organization and an important component of sustainable development the Secretary-General proposes to raise the level of the Director of the Centre for Human Rights to the level of Assistant Secretary-General.

22. In addition, in accordance with the request of the General Assembly, the Secretary-General intends to appoint a Secretary-General of the Fourth World Conference on Women to be held in Beijing in 1995. The appointment will be at the Assistant Secretary-General level.

23. In his statement to the Fifth Committee on 6 November 1992, the Secretary-General stressed the importance of introducing an integrated approach to all the interrelated managerial issues, coordinated by the head of the Department of Administration and Management. To this end, and as part of his effort to reduce departmental fragmentation and enhance managerial responsibility at the Director level, the Secretary-General intends to eliminate four Assistant Secretary-General posts in the Department of Administration and Management.

24. It is the Secretary-General's intention to propose the redeployment of a number of high-level posts, including redeployment of posts from administrative to substantive areas, in order that the objective of reducing the overall number of such posts continues to be pursued.

Implications for the budgetary process

25. The above-mentioned decisions regarding the structure of the Secretariat will have significant implications for the structure, programmatic content and distribution of resources of the programme budget for the biennium 1992-1993. In addition to responding to new mandates such as the follow-up of the United Nations Conference on Environment and Development or the preparation of the World Social Summit, the three new Departments will include functions which are currently under the responsibility of the Department of Economic and Social Development and a number of other units. Some activities and outputs will be new and some programmes and subprogrammes will be transferred from one entity or location to another. These various changes will modify the distribution of resources by sections in the programme budget and will call for the presentation of revised estimates to the General Assembly. Given the short time available before the adjournment of the current session of the Assembly, the Secretary-General intends to present such revised estimates to a resumed session of the General Assembly early next year.

26. The revised estimates requested by the General Assembly through its resolution 46/232 and currently under consideration include sections of the budget which will be directly or indirectly affected by this phase of the restructuring. Given these exceptional circumstances, the General Assembly may wish to consider the following course of action:

(a) To take note of the current revised estimates, including the proposed transfer of resources among sections, on the understanding that the final proposed configuration of the programme budget for the biennium 1992-1993 will be presented to the General Assembly early next year; in addition to indicating the budgetary changes related to the decisions of the Secretary-General outlined above, these final revised estimates will also provide the broad programmatic aspects and justifications of the restructuring process, as requested in resolution 46/232.

(b) To postpone a decision on the question of high-level posts contained in the initial revised estimates, on the understanding that the Secretary-General will present the final number and distribution of high-level posts financed from the regular budget for the remaining part of the biennium in his revised estimates early next year. As indicated above, it is the Secretary-General's intention to propose the redeployment of several high-level posts, including posts from administrative to substantive areas, in order that the objective of reducing the overall number of such posts is achieved.

27. The statements of programme budget implications relating to new or additional activities whose implementation will be the responsibility of departments or units affected by this restructuring will be provisional and basically at the maintenance level. The revised estimates to be presented early next year will refer explicitly to the arrangements proposed for the implementation of such mandates.

28. The proposed programme budget for the biennium 1994-1995 will reflect the decisions of the General Assembly on the current and forthcoming revised estimates for the programme budget 1992-1993. In accordance with the current rules, the proposed programme budget should be made available to the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions in April. In order to enable the Secretary-General to present a budget with a full programmatic content, it is proposed to submit the next budget at a later stage in 1993, for consideration first by the Committee for Programme and Coordination and the Advisory Committee and subsequently by the General Assembly.